



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN GENERAL ELECTRIC'S ACQUISITION OF INSTRUMENTARIUM

Settlement Preserves Competition in the Sale of Critical Care Monitors and C-Arms

WASHINGTON, D.C. -- The Department of Justice reached a settlement today with General Electric Corporation (GE) which requires the company to divest two Instrumentarium OYJ businesses – its Spacelabs patient monitor business and its Ziehm C-arm business – in order for GE to proceed with its acquisition of Instrumentarium. The Department said that the acquisition, as originally proposed, would lessen competition in the sale of monitors used for patients requiring critical care and mobile C-arms used for basic surgical and vascular procedures, and would likely result in higher prices or reduced quality for consumers.

The Department's Antitrust Division filed a lawsuit today in U.S. District Court in Washington, D.C. to block the original transaction. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the Department's competitive concerns and the lawsuit.

"These divestitures will preserve competition in the sale and development of important medical devices and will prevent anticompetitive harm to healthcare providers and their patients," said R. Hewitt Pate, Assistant Attorney General in charge of the Department's Antitrust Division.

Critical care patient monitors are medical devices used by hospitals and other healthcare facilities to measure and display the vital physiologic signs of patients in serious medical condition. Mobile C-arms developed for basic surgical and vascular procedures are full-size, fluoroscopic x-ray machines that provide continuous, real-time viewing of patients during those procedures. According to the complaint, GE and Instrumentarium are two of only a few competitors that

provide these important medical devices to healthcare providers and have competed head to head on price, product features, and service.

GE is a global technology and services company that has its headquarters in Fairfield, Connecticut. GE's subsidiary, GE Medical Systems, is a major worldwide provider of medical equipment products and services. GE Medical Systems had revenues of approximately \$9 billion in 2002.

Instrumentarium OYJ is a public, limited liability company with its principal offices in Helsinki, Finland. Instrumentarium is a major worldwide provider of medical equipment products and services, including anesthesia and mammography machines as well as patient monitors and mobile C-arms. Instrumentarium manufactures and sells critical care patient monitors predominantly through its Spacelabs subsidiary, and manufactures and sells mobile C-arms through its Ziehm subsidiaries. Instrumentarium's revenues were approximately \$1 billion in 2002.

The European Commission also reviewed this transaction and approved it subject to certain conditions that included the divestiture of Instrumentarium's Spacelabs subsidiary. The Department cooperated closely with the European Commission in the review of this matter and will continue to do so in ensuring that the Spacelabs divestiture preserves competition.

As required by the Tunney Act, the proposed consent decree will be published in the Federal Register, along with the Department's competitive impact statement. Any person may submit comments concerning the proposed consent decree during the 60-day comment period to James R. Wade, Chief, Litigation III Section, Antitrust Division, U.S. Department of Justice, 325 Seventh Street, N.W., Suite 300, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the court may enter the consent decree upon finding that it serves the public interest.

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